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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 002343

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SUBJECT: MIXED REACTIONS TO PRC PRESIDENT HU JINTAO'S 17TH
PARTY CONGRESS REMARKS ON TAIWAN POLICY

REF: BEIJING 6673

Classified By: AIT Acting Director Robert S. Wang,
Reasons: 1.4 (b/d)

¶1. (C) Summary: In response to PRC President Hu Jintao's proposal to negotiate a cross-Straits peace agreement (reftel), Taiwan's DPP government argues that such an agreement is impossible so long as Beijing insists that Taipei accept its "one China principle." While comments by most DPP leaders were measured albeit negative, government spokesman Shieh Jyh-wei went overboard in blasting Beijing for human rights violations and backing the military junta in Burma. Mainland Affairs Council Chairman Chen Ming-tong told the Acting Director that Hu's speech was somewhat more conciliatory than previous statements about Taiwan. He attributed this softening to an initiative to reach out to Taiwan's next president, who will be elected in March 2008, and to win the international community over to Beijing's side. Two contacts close to DPP presidential candidate Frank Hsieh saw the softer tone of Hu's message as reflecting a desire to maintain a stable, low-key Taiwan policy at this time, while keeping room open for the future development of cross-Straits relations. KMT presidential candidate Ma Ying-jeou was reluctant to endorse Hu's remarks, both for policy reasons and to avoid being portrayed as Beijing's candidate, which could hurt his presidential chances. End Summary.

¶2. (C) From Taiwan's perspective, PRC President Hu Jintao's 17th party congress remarks on Taiwan were most noteworthy for refraining from threatening language and for calling for consultations on the basis of the one-China principle to negotiate a formal end to the state of cross-Straits hostilities and reach a peace agreement. Despite Hu's seemingly conciliatory message, the initial official responses here were negative to a greater or lesser extent.

DPP Reactions to Hu's Speech

¶3. (SBU) The Mainland Affairs Council (MAC) issued a five-paragraph statement on October 15, asserting that Taiwan's sovereignty and decisions about the future belong to the 23 million people of Taiwan. According to MAC, the biggest obstacle in cross-Straits relations is China's effort

to force the "one-China principle" on the Taiwan people. MAC urged Beijing to abandon the one-China framework, abolish the Anti-Secession Law (ASL), stop suppressing Taiwan internationally, and remove weapons targeting Taiwan. Without any preconditions, Beijing should open discussions with the elected government of Taiwan for the normal development of cross-Strait relations, the elimination of cross-Strait hostility, and the achievement of genuine cross-Strait peace and stability.

¶4. (SBU) President Chen on October 16 charged that Hu's offer was an agreement for Taiwan to surrender to the PRC. Similar to the MAC statement, Chen raised three conditions for cross-Strait peace talks: China must renounce its "one-China" principle, revoke the ASL, and remove its 988 missiles targeting Taiwan.

¶5. (SBU) Shieh Jhy-wei, Taiwan's controversial government spokesman, was typically outspoken in comments on October 15: "The Taiwanese and Chinese can stand together for democracy and human rights, but we will never discuss peace, unification or any other issues with a regime that bullies and suppresses Tibet, kills its own people and backs the military junta in Myanmar." Outgoing DPP International Affairs Director Lai I-chung stated that Hu's remarks were not new and were unrealistic as majority public opinion does not support one China; one country, two systems; or peaceful unification. "Both sides can only reconcile if China stops its military intimidation and diplomatic oppression and recognizes Taiwan's existence," Lai argued.

¶6. (C) In a meeting with AIT Acting Director Robert Wang on Oct. 16, MAC Chairman Chen Ming-tong acknowledged that Hu's

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statement was somewhat softer and more conciliatory than previous PRC statements toward Taiwan. Chairman Chen assessed Hu's motives as twofold. First, Hu was actually speaking to Chen Shui-bian's successor rather than to Chen himself, since Beijing does not trust President Chen and has no intention of dealing with him for the remainder of his term. Second, Hu was speaking to the U.S. and the international community seeking to project a conciliatory image so that the international community would be on China's side should Beijing feel provoked into taking action against Taiwan. Chairman Chen handed the Acting Director a press release his staff had prepared earlier on Oct. 16, which was more conciliatory in tone than the previous day's MAC statement. The Oct. 16 statement began by observing that "Peace is the common language of the two sides of the Taiwan Strait." It then lamented that Hu Jintao had waited five years to respond to Chen Shui-bian's January 2003 proposal for establishing a "reciprocal framework for building peace and stability," and argued that Hu's continued insistence on the "one China principle" was the political obstacle to peace talks. The statement then concluded by restating the four demands from the previous day's statement (see para 3).

¶7. (C) In comments to AIT, TECRO Council Member Corey Chen, a close advisor to DPP presidential candidate Frank Hsieh, criticized Spokesman Shieh Jyh-wei for going overboard in responding to Hu's remarks. The Hsieh camp sees no reason to stir up Beijing with emotional overreactions, which could lead the PRC to raise the position of Taiwan on its list of priorities. In Hsieh's view, Corey Chen said, Beijing is focused on leadership realignment and difficult domestic issues at this time, and Taiwan is not Hu's top priority. While he deals with other issues, Hu wants to keep the Taiwan situation stable, Corey Chen maintained, adding that not too much should be read into Hu's remarks on Taiwan. The cross-Strait issue needs to be managed carefully but there is no hurry to find an ultimate resolution. The two sides should not force each other to reprioritize the cross-Strait issue. Hu's remarks are a positive gesture, which helps preserve space for the two sides to develop relations in the future. By not issuing a (critical) statement in response to

Hu, Hsieh wants to preserve room for future flexibility.

18. (C) Legislator Bikhim Hsiao, Frank Hsieh's international affairs director, noted to AIT that some people in Taiwan had been expecting Hu to deliver a threatening message to Taiwan in response to the DPP's UN referendum. The absence of strong language was a good sign, despite the standard rhetoric of Hu's message. The UN referendum is just one issue, and as a big country, the PRC needs to think broadly and long-term. Hsiao said it was positive that Hu's speech did not cut off room for future possibilities.

19. (C) The Blue take on the "official" DPP reaction reflected their theory that Chen wants to stir up cross-Straits tensions to undermine the KMT and help the DPP election campaign. In a discussion with AIT, National Taiwan University Professor Philip Yang argued that the strong DPP rejection reflected the frustration of President Chen and his party that Hu's statement was "too mild." Thus, the government spokesman moved to highlight the PRC's mean side by pointing to human rights problems and Beijing's support for the oppressive Burmese regime. Along similar lines, pro-Blue CCK Foundation President Chu Yun-han expressed concern that a frustrated President Chen might further escalate his rhetoric in hopes of eliciting more negative responses from Beijing.

KMT Reactions

10. (SBU) KMT presidential candidate Ma Ying-jeou's initial response on October 15 to Hu's speech was cautious and rather negative, stressing that "one China is the Republic of China, and to have meaning, cross-Straits consultations must be conducted in accordance with this principle." Ma also declared that "it should be the Taiwan people who determine Taiwan's future, no matter what decision they arrive at," without CCP intervention. The next day (Oct. 16), Ma

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repeated the same ideas, but was somewhat more positive, crediting Hu for making some progress by offering to talk with Taiwan on the conclusion of a peace agreement, which he noted had become his and the KMT's platform. He suggested that the two sides use the "1992 consensus" and "one China, different definitions" as the basis for resuming talks on an agreement to end cross-Straits hostilities.

11. (C) Comments by other KMT leaders were more positive. Chairman Wu Poh-hsiung affirmed Hu's support for cross-Straits consultations and a peace treaty to end hostilities. KMT legislator Su Chi, who is close to Ma, pointed out that Hu's language on the cross-Straits peace agreement came from the April 2005 joint press communique released by Hu and KMT Chairman Lien Chan. Su Chi told AIT that Hu's speech was not bad, though Hu maintained the standard line toward Taiwan. Su predicted that Hu's authority to deal with Taiwan policy would be strengthened during his second five-year term. He also observed that the PRC, which does not agree with the KMT's UN referendum, is still blinded by ideology and does not understand electoral politics despite its increased contacts with the KMT.

12. (C) Ma Ying-jeou's reluctance to endorse Hu's statement was "to be expected," Chu Yun-han told AIT, as Ma needs to avoid being perceived as a PRC "fellow traveler," which could hurt his election campaign. However, many KMT supporters were dismayed by Ma's less than positive reaction to what they saw as Hu Jintao's generally accommodating statement on Taiwan. According to Chu, Ma has shifted away from a "Taipei mindset" during his ongoing island-wide "long-stay" campaign as he focuses on trying to boost support for his presidential campaign from Taiwanese voters, who are often sympathetic to Green arguments.

13. (C) Philip Yang, who is in Taipei this week between

visits to Beijing, told AIT he believes Beijing "understands Taiwan political dynamics" better now than in previous elections. Hu's relatively accommodating statement on Taiwan demonstrates that the PRC realizes threats against Taiwan tend to backfire and, in this case, would only boost Frank Hsieh's campaign. Hu's softer rhetoric also indicates that he is comfortable with his power position and does not need to beat up on Taiwan to consolidate his leadership, Yang suggested, adding that he did not expect Beijing to make further strong negative statements before the presidential election that could play into DPP hands.

Comment

114. (C) Most people here appear relieved at the relatively moderate tone of Hu's speech. The DPP government will work to convince the public that the PRC position has not changed, and that Beijing, not Taipei, is responsible for the standoff in cross-Straits political relations. President Chen and the DPP may take Hu's soft tone as an indication that it is safe to proceed with the controversial UN referendum. Frank Hsieh, who supports the UN referendum, will see Hu's message as signaling a possible cross-Straits opening if he is elected president, and therefore he will resist further Deep Green moves that could provoke cross-Straits tensions. Ma Ying-jeou will of course see Hu's speech as a positive development but he must avoid being perceived as Beijing's candidate in order to convince Taiwanese voters that he and the KMT will not sell them out to the PRC. No one here, however, sees much of a chance that serious cross-Straits negotiations will resume before President Chen steps down next spring.

WANG